



**REAL ESTATE COMMISSION  
STATE OF HAWAII**

DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS  
PROFESSIONAL & VOCATIONAL LICENSING DIVISION  
1010 Richards Street  
P. O. Box 3469  
Honolulu, Hawaii 96801

**CONDOMINIUM PUBLIC REPORT**

on

111-115-121 CYPRESS AVENUE  
111-115-121 Cypress Avenue  
Wahiawa, Hawaii

Registration No. 1893 (Conversion)

Issued: February 19, 1988  
Expires: March 19, 1989

**Report Purpose:**

This report is based on information and documents submitted by the developer to the Real Estate Commission as of February 3, 19 88 and is issued by the Commission for informational purposes only. It represents neither approval nor disapproval of the project. Buyers are encouraged to read this report carefully.

**Type of Report:**

- PRELIMINARY:** The developer may not as yet have created the condominium but has filed with the Real Estate Commission minimal information sufficient for a Preliminary Public Report. A Final Public Report will be issued when complete information is filed.  
(yellow)
- FINAL:** The developer has legally created a condominium and has filed complete information with the Commission.  
(white)  
 Supersedes all prior public reports  
 Must be read together with \_\_\_\_\_
- SUPPLEMENTARY:** Updates information contained in the  
(pink)  
 Prelim. Public Report dated \_\_\_\_\_  
 Final Public Report dated \_\_\_\_\_  
 Supp. Public Report dated \_\_\_\_\_
- And  Supersedes all prior public reports  
 Must be read together with \_\_\_\_\_  
 This report reactivates the \_\_\_\_\_  
public report(s) which expired on \_\_\_\_\_

**Disclosure Abstract:** Separate Disclosure Abstract on this condominium project:

Required                       Not Required -- disclosures covered in this report. as Exhibit "H"

**Summary of Changes from Earlier Public Reports:**

This summary contains a general description of the changes, if any, made by the developer since the last public report was issued. It is not necessarily all inclusive. Prospective buyers should compare this public report with the earlier reports if they wish to know the specific changes that have been made.

No prior reports have been issued.

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## GENERAL INFORMATION ON CONDOMINIUMS

A condominium is a special form of real property. To create a condominium in Hawaii, the requirements of Hawaii's "Horizontal Property Act" (Chapter 514A, Hawaii Revised Statutes) must be followed.

If you are a typical condominium apartment owner, you will have two kinds of ownership: (1) ownership in your individual apartment; and (2) an undivided interest in the common elements.

Common elements are the areas of the condominium project other than the individual apartments. They are owned jointly by all apartment owners and include the land, either in fee simple or leasehold, and those parts of the building or buildings intended for common use such as foundations, columns, roofs, halls, elevators, and the like. Your undivided interest in the common elements cannot be separated from ownership of your apartment.

In some condominium projects, some common elements are reserved for the exclusive use of the owners of certain apartments. These common elements are called limited common elements and may include parking stalls, patios, lanais, trash chutes, and the like.

You will be entitled to exclusive ownership and possession of your apartment. Condominium apartments may be individually bought, sold, rented, mortgaged, or encumbered, and they may be disposed of by will, gift, or operation of law.

Your apartment will, however, be part of the group of apartments that comprise the condominium project. Study the Declaration, Bylaws, and House Rules. These documents contain important information on the use and occupancy of apartments and the common elements as well as the rules of conduct for owners, tenants, and guests.

Some condominium projects are leasehold. This means that the land or the land, building(s) and other improvements are leased to the buyer. The lease for the land usually requires that at the end of the lease term, the lessees (apartment owner/tenant) deliver their interest in the land to the lessor (fee property owner). The lease also usually requires that the lessees either (1) convey to the lessor the building(s) and other improvements, including any improvements paid for by the lessees; or (2) remove or dispose of the improvements. The leases for individual apartments often require that at the end of the lease term, the lessee deliver to the lessor the apartment, including any improvements placed in the apartment by the lessee.

### Operation of the Condominium Project

The Association of Apartment Owners is the entity through which apartment owners may take action with regard to the administration, management, and operation of the condominium project. Each apartment owner is automatically a member of the Association.

The Board of Directors is the governing body of the Association. Unless you serve as a board member or an officer, or are on a committee appointed by the board, your participation in the administration and operation of the condominium project will in most cases be limited to your right to vote as an apartment owner. The Board of Directors and officers can take certain actions without a vote of the owners. Some of these actions may significantly impact the quality of life for all apartment owners.

Until there is a sufficient number of purchasers of apartments to elect a majority of the Board of Directors, it is likely that the developer will effectively control the affairs of the Association. It is frequently necessary for the developer to do so during the early stages of development and the developer may reserve certain special rights to do so in the Declaration and Bylaws. Prospective buyers should understand that it is vitally important to all apartment owners that the transition from developer to owner control be accomplished in an orderly manner and in a spirit of cooperation.



I. PEOPLE CONNECTED WITH THE PROJECT

Developer: CREATIVE INDUSTRIES, INC. Phone: 531-9818  
Name 1040 Richards Street, Suite 311  
Business Address  
Honolulu, Hawaii 96813  
(Business)

Names of officers or general partners of developers who are corporations or partnerships:

Clifford P. S. Shin, President  
Eileen Shin, Secretary-Treasurer

Real Estate Sales Agent: CREATIVE INDUSTRIES, INC. Phone: 531-9818  
Name 1040 Richards Street, Suite 311  
Business Address  
Honolulu, Hawaii 96813  
(Business)

Escrow: LONG & MELONE ESCROW, LTD. Phone: 531-3189  
Name 333 Queen Street, Suite 501  
Business Address  
Honolulu, Hawaii 96813  
(Business)

Managing Agent: -- self-managed -- Phone:   
Name   
Business Address  
  
(Business)

Attorney for Developer: ROGER V. MEEKER  
Name 810 Richards Street, Suite 810  
Business Address  
Honolulu, Hawaii 96813

**II. CREATION OF THE CONDOMINIUM;  
CONDOMINIUM DOCUMENTS**

condominium is created by recording in the Bureau of Conveyances and/or filing with the Land Court a Declaration of Horizontal Property Regime, a Condominium Map (File Plan), and the Bylaws of the Association of Apartment Owners.

Declaration of Horizontal Property Regime contains a description of the land, buildings, apartments, common elements, limited common elements, common interests, and other information relating to the condominium project.

The Declaration for this condominium is:

Proposed  
 Recorded — Bureau of Conveyances — Book 21256 Page 583  
 Filed — Land Court — Document Number \_\_\_\_\_

Amendment date(s) and recording/filing information:

Condominium Map (File Plan) shows the floor plan, elevation and layout of the condominium project. It also shows the floor plan, location, apartment number, and dimensions of each apartment.

The Condominium Map for this condominium project is:

Proposed  
 Recorded — Bureau of Conveyance Condo Map No. 1088  
 Filed — Land Court Condo Map No. \_\_\_\_\_

Amendment date(s) and recording/filing information:

Bylaws of the Association of Apartment Owners govern the operation of the condominium project. They provide for the manner in which the Board of Directors of the Association of Apartment Owners is elected, the powers and duties of the Board, the way in which meetings will be conducted, and other matters which affect how the condominium project will be governed.

The Bylaws for this condominium are:

Proposed  
 Recorded — Bureau of Conveyances — Book 21256 Page 595  
 Filed — Land Court — Document Number \_\_\_\_\_

Amendment date(s) and recording/filing information:

- D. **House Rules.** The Board of Directors may adopt house rules to govern the use and operation of the common elements and individual apartments. House rules may cover matters such as parking regulations, hours of operation for common facilities such as recreation areas, use of lanais, keeping of pets, and occupancy limits. These rules must be followed by owners, tenants, and guests. They do not need to be recorded or filed to be effective. The initial house rules are usually adopted by the developer.

The House Rules for this condominium are:

Proposed       Adopted

Developer does not plan to adopt house rules.

E. **Changes to Condominium Documents**

Changes to the Declaration, Condominium Map, and Bylaws are effective only if they are duly adopted and recorded and/or filed. Changes to House Rules do not need to be recorded or filed to be effective.

1. **Apartment Owners:** Minimum percentage of apartment owners who must vote for or give written consent to changes:

	<u>Minimum Set by Law</u>	<u>This Condominium</u>
Declaration (and Condo Map)	75%	<u>75%</u>
Bylaws	65%	<u>65%</u>
House Rules	—	<u>n/a</u>

The percentages for individual condominium projects may be more than the minimum set by law.

2. **Developer:** The developer has reserved the following rights to change the Declaration, Condominium Map, Bylaws, or House Rules:

NONE

The Condominium Statute (Chapter 514A, HRS), the Declaration, Bylaws, and House Rules control the rights and obligations of the apartment owners with respect to the common elements, to each other, and to their respective apartments. The provisions of these documents are intended to be, and in most cases are, enforceable in a court of law.

III. THE CONDOMINIUM PROJECT

A. Interest to be Conveyed to Buyer:

Fee Simple: Individual apartments and the underlying land will be in fee simple.

Leasehold or Subleasehold: Individual apartments and the underlying land will be leasehold.

The leases for the individual apartments and the underlying land usually require that at the end of the lease term, the lessee (tenant) deliver to the lessor (fee property owner) possession of the leased premises and all improvements, including improvements paid for by the lessee.

Exhibit \_\_\_\_\_ contains further explanations.

Lease Term Expires: \_\_\_\_\_  
Rent Renegotiation Date(s): \_\_\_\_\_

Lease Rent Payable:  Monthly  Quarterly  
 Semi-Annually  Annually

Exhibit \_\_\_\_\_ contains a schedule of the lease rent for each apartment per  
 Month  Year.

Individual Apartments in Fee Simple, Underlying Land in Leasehold or Subleasehold:

The leases for the underlying land usually require that at the end of the lease term, the lessees (apartment owners -- tenants) deliver to the lessor (fee property owner) their interest in the land and that they either (1) remove or dispose of the building(s) and other improvements; or (2) convey the building(s) and improvements to the lessor, often at a specified price.

Exhibit \_\_\_\_\_ contains further explanations.

Lease Term Expires: \_\_\_\_\_  
Rent Renegotiation Date(s): \_\_\_\_\_

Lease Rent Payable:  Monthly  Quarterly  
 Semi-Annually  Annually

Exhibit \_\_\_\_\_ contains a schedule of the lease rent for each apartment per  
 Month  Year.

Other:

For Subleaseholds:

Buyer's sublease may be cancelled if the master lease between the sublessor and fee owner is  
 Cancelled  Foreclosed.

As long as the buyer is not in default, the buyer may continue to occupy the apartment and/or land on the same terms contained in the sublease even if the master lease is cancelled or foreclosed.

**B. Underlying Land:**

Address: 111-115-121 Cypress Avenue Tax Map Key: 7-3-3-13 & 14 (1st)  
Wahiahiwa, Hawaii (TMK)

Address  TMK is expected to change because \_\_\_\_\_

Land Area: 60,524  square feet  acre(s) Zoning: R-5 (5,000 s.f.)

Fee Owner: CREATIVE INDUSTRIES, INC.  
name  
1040 Richards Street, Suite 311  
address  
Honolulu, Hawaii 96813

Sublessor: \_\_\_\_\_  
name  
\_\_\_\_\_  
address  
\_\_\_\_\_

**C. Buildings and Other Improvements:**

1.  New Building(s)  Conversion of Existing Building(s)  
 Both New Building(s) and Conversion

2. Buildings: 10 Floors Per Building: 1  
 Exhibit A contains further explanations.

3. Principal Construction Material:

Concrete  Hollow Tile  Wood  
 Other \_\_\_\_\_

4. Permitted Uses:

	<u>No. of Apts.</u>		<u>No. of Apts.</u>
<input type="checkbox"/> Commercial	_____	<input type="checkbox"/> Industrial	_____
<input checked="" type="checkbox"/> Residential	<u>10</u>	<input type="checkbox"/> Agricultural	_____
<input type="checkbox"/> Timeshare/Hotel	_____	<input type="checkbox"/> Recreational	_____
<input type="checkbox"/> Other:	_____		_____

5. Special Use Restrictions:

The Declaration, Bylaws, and House Rules may contain restrictions on the use and occupancy of apartments. Restrictions for this condominium project include but are not limited to:

- Pets: \_\_\_\_\_
- Number of Occupants: \_\_\_\_\_
- Other: The apartments are restricted to residential use only
- There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Total Apartments 10

Elevators NONE          Stairways NONE          Trash Chutes NONE

<u>Apt. Type</u>	<u>Qty</u>	<u>BR/Bath</u>	<u>Net Living Area*</u>	<u>Lanai/Patio</u>
-- SEE EXHIBIT "A" for detailed apartment descriptions --				
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

\*Net Living Area is the floor area of the apartment measured from the interior surface of the apartment perimeter walls.

Other documents and maps may give floor area figures which differ from those above because a different method of determining floor area may have been used.

Boundaries of Each Apartment:      See Exhibit "A" attached hereto

Permitted Alterations to Apartments:

Individual apartment owners may, at their sole discretion, remodel, expand or otherwise alter their apartment, provided same is permitted by and done in complete accordance with all applicable ordinances, codes, rules, regulations or other requirements in force at the time of said construction. Pursuant hereto, said alterations shall not require the consent or permission of other apartment owners or the Association; provided, however, that any newly-constructed improvements remain a minimum of five (5) feet from all designated perimeter and interior limited common element land area lines; and provided further that said newly-constructed improvements do not alter the essential nature and character of the Project, and do not unreasonably interfere with any other apartment owners' enjoyment of their apartment(s).

7. Parking Stalls:

Total Parking Stalls: 10+ (several units have open parking not noted on Condominium Map)

	<u>Regular</u>		<u>Compact</u>		<u>Tandem</u>		<u>TOTAL</u>
	<u>covered</u>	<u>open</u>	<u>covered</u>	<u>open</u>	<u>covered</u>	<u>open</u>	
Assigned (for individual units)	<u>5</u>	<u>3</u>	<u>      </u>	<u>      </u>	<u>4</u>	<u>6</u>	<u>18</u>
Guest Unassigned	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>
Extra Available for Purchase	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>
Other:	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>
Total Covered & Open	<u>8</u>	<u>      </u>	<u>      </u>	<u>      </u>	<u>10</u>	<u>      </u>	<u>      </u>

Each apartment will have the exclusive use of at least 1 parking stall(s).  
Buyers are encouraged to find out which stall(s) will be available for their use.

- Commercial parking garage permitted in condominium project.
- Exhibit        contains additional information on parking stalls for this condominium project.

8. Recreational and Other Common Facilities:

- There are no recreational or common facilities.
- Swimming pool
- Recreation Area
- Tennis Court
- Storage Area
- Laundry Area
- Trash Chute
- Other: COMMON DRIVEWAY

9. Present Condition of Improvements

(For conversions of residential apartments in existence for five years):

a. Condition and Expected Useful Life of Structural Components, Mechanical, and Electrical Installations

Inspection by an independent registered architect in May 1987 revealed varying degrees of deterioration and defects in the structural components and mechanical and electrical installations material to the use and enjoyment of the condominium apartment(s). However, because of subsequent repairs to the property completed by the Developer since May of 1987, and based upon a subsequent report by an independent registered architect, it is the Developer's opinion that the structural components and mechanical and electrical installations material to the use and enjoyment of the condominium apartment(s) are presently sound and in satisfactory working condition, and have an expected useful life of at least twenty years.

b. Compliance with Building Code and Municipal Regulations; Cost to Cure Violations

See Exhibit "G"

10. Conformance to Present Zoning Code

a.  No variances to zoning code have been granted.

Variance(s) to zoning code was/were granted as follows:

NOTE: Developer has applied for and received an Existing Use Permit for the property, which allows reconstruction of any of the existing dwellings in the event of their accidental or intentional destruction. See Department of Land Utilization existing use Application No. 87/EU-9(BTT). See also Exhibit "F" attached hereto.

b. Conforming/Non-Conforming Uses, Structures, Lot

In general, a non-conforming use, structure, or lot is a use, structure, or lot which was lawful at one time but which does not now conform to present zoning requirements.

	<u>Conforming</u>	<u>Non-Conforming</u>	<u>Illegal</u>
Uses	<u>X</u>	<u>      </u>	<u>      </u>
Structures	<u>      </u>	<u>X</u>	<u>      </u>
Lot	<u>X</u>	<u>      </u>	<u>      </u>

NOTE: See Exhibit "E" (letter from Bldg. Dept.) Also, see NOTE above.

If a variance has been granted or if uses, improvements, or lot are either non-conforming or illegal, buyer should consult with county zoning authorities as to possible limitations which may apply.

Limitations may include restrictions on extending, enlarging, or continuing the non-conformity, and restrictions on altering and repairing structures. In some cases, a non-conforming structure that is destroyed or damaged cannot be reconstructed.

The buyer may not be able to obtain financing or insurance if the condominium project has a non-conforming or illegal use, structure, or lot.

D. Common Elements, Limited Common Elements, Common Interest:

1. Common Elements: Common Elements are those parts of the condominium project intended to be used by all apartment owners. They are owned jointly by all apartment owners.

Exhibit  B  describes the common elements.

2. Limited Common Elements: Limited Common Elements are those common elements which are reserved for the exclusive use of the owners of certain apartments.

[ ] There are no limited common elements in this project.

[ X ] The limited common elements and the apartments which may use them are:

[ X ] described in Exhibit  B

[ ] as follows:

3. Common Interest: Each apartment will have an undivided fractional interest in all of the common elements. This interest is called the "common interest." It is often used to determine each apartment's share of the maintenance fees and other common profits and expenses of the condominium. It may also be used for other purposes, including voting on matters requiring action by apartment owners.

[ ] Exhibit \_\_\_\_\_ describes the common interests for each apartment.

[ X ] as follows: Each apartment and its owner(s) shall have appurtenant thereto a one-tenth (1/10) fractional interest (10.0 percentage interest) in the common elements of the Project, for all purposes including voting, said interest being referred to as the "common interest".

E. Encumbrances Against Title: ... encumbrance is a claim against or a liability on the property.

Exhibit C describes the encumbrances against the title contained in the title report dated November 6, 1987.

Blanket Liens:

A blanket lien is a mortgage on a condominium project that secures a construction loan. It is usually released on an apartment-by-apartment basis upon payment of specified sums so that individual apartments can be conveyed to buyers free and clear of the lien.

- There are no blanket liens affecting title to the individual apartments.
- There are blanket liens which may affect title to the individual apartments.

Blanket liens (except for improvement district or utility assessments) must be released before the developer conveys the apartment to a buyer. Buyer's interest will be affected only if the developer defaults prior to conveying the apartment to buyer.

<u>Type of Lien</u>	<u>Effect on Buyer's Interest If Developer Defaults</u>
Blanket Mortgage	Buyer's interest unaffected. Title to the individual apartments will be free and clear at the time of conveyance.

F. Management of the Common Elements: The Association of Apartment Owners is responsible for the management of the common elements and the overall operation of the condominium project. The Association may be permitted, and in some cases may be required, to employ or retain a managing agent to assist the Association in managing the condominium project.

Initial Managing Agent: When the developer or the developer's affiliate is the initial managing agent, the management contract must have a term of one year or less and the parties must be able to terminate the contract on notice of 60 days or less.

The initial managing agent for this condominium is:

- not affiliated with the Developer.
- the Developer or the Developer's affiliate. (Project to be self-managed)
- other \_\_\_\_\_

**G. Estimate of Initial Maintenance Fees:**

The Association will make assessments against your apartment to provide funds for the operation and maintenance of the condominium project. If you are delinquent in paying the assessments, your apartment may be liened and sold through a foreclosure proceeding.

Initial maintenance fees are difficult to estimate and tend to increase as the condominium ages. Maintenance fees may vary depending on the services provided to each apartment.

Exhibit  G  contains a schedule of maintenance fees and maintenance fee disbursements.

**H. Utility Charges for Apartments:**

Each apartment will be billed separately for utilities except for the following checked utilities which are included in the maintenance fees:

- |                                      |   |  |
|--------------------------------------|---|--|
| <input type="checkbox"/> Electricity | <input type="checkbox"/> Television Cable           |  |
| <input type="checkbox"/> Gas         | <input checked="" type="checkbox"/> Water & Sewer * | *Apartments 111, 111-C and 121-B Cypress Avenue are separately metered, and do not share common utility expenses with any other apartment. |
| <input type="checkbox"/> Other _____ |   |  |

**I. Construction Warranties:**

Warranties for individual apartments and the common elements, including the beginning and ending dates for each warranty, are as follows:

1. Building and Other Improvements: NONE

2. Appliances: NONE INCLUDED IN SALE

J. Status of Construction and Estimated Completion Date:

Project is a conversion of existing dwellings built or relocated to their present location in 1958 or earlier.

K. Project Phases:

The developer  has  has not reserved the right to add to, merge, or phase this condominium.

Summary of Developer's Present Plans for Future Development:

NONE ANTICIPATED

L. Sales Documents Filed with the Real Estate Commission:

Sales documents on file with the Real Estate Commission include but are not limited to:

Notice to Owner Occupants

Specimen Sales Contract -- standard DROA contract is being used

Exhibit  D  contains a summary of the pertinent provisions of the sales contract.

Escrow Agreement dated  October 1, 1987

Exhibit  D  contains a summary of the pertinent provisions of the escrow agreement.

Other \_\_\_\_\_

**IV. ADDITIONAL INFORMATION NOT COVERED ABOVE**

**Buyer's Right to Cancel Sales Contract:**

**A. Rights Under the Condominium Statute:**

Preliminary Report: Sales made by the Developer are not binding. A prospective buyer who cancels the sales contract is entitled to a refund of all moneys paid, less any escrow cancellation fee up to \$250.00.

Supplementary Report to a Preliminary Report: Same as for Preliminary Report.

Final Report, Supplementary Report to a Final Report: Sales made by the Developer are binding if:

1. The Developer delivers to the buyer a copy of:
  - a. Either the Final Public Report OR the Supplementary Public Report which has superseded the Final Public Report;  
AND
  - b. Any other public report issued by the Commission prior to the date of delivery, if the report was not previously delivered to the buyer and if the report has not been superseded;
2. The buyer is given an opportunity to read the report(s); and
3. One of the following has occurred:
  - a. The buyer has signed a receipt for the report(s) and waived the right to cancel; or
  - b. Thirty (30) days have passed from the time the report(s) were delivered to the buyer; or
  - c. The apartment is conveyed to the buyer within 30 days from the date the report(s) were delivered to the buyer.

Material Change: Binding contracts with the Developer may be rescinded by the buyer if:

1. There is a material change in the condominium which directly, substantially, and adversely affects (a) the use or value of the buyer's apartment or its limited common elements; or (b) the amenities available for buyer's use; and
2. The buyer has not waived the right to rescind.

If the buyer rescinds a binding sales contract because there has been a material change, the buyer is entitled to a full and prompt refund of any moneys the buyer paid.

**B. Rights Under the Sales Contract:**

Before signing the sales contract, prospective buyers should ask to see and carefully review all documents relating to the condominium. These include but are not limited to the:

1. Condominium Public Reports issued by the Hawaii Real Estate Commission.
2. Declaration of Horizontal Property Regime and Condominium Map.
3. Bylaws of the Association of Apartment Owners.
4. House Rules.
5. Escrow Agreement.
6. Hawaii's Condominium Law (Chapter 514A, HRS, as amended; Hawaii Administrative Rules, Chapter 16-107, adopted by the Real Estate Commission).
7. Other \_\_\_\_\_

If these documents are not in final form, the buyer should ask to see the most recent draft.

Copies of the condominium and sales documents and amendments made by the developer are available for review through the developer and are on file at the Department of Commerce and Consumer Affairs. Reprints of Hawaii's Condominium Law (Chapter 514A, HRS and Hawaii Administrative Rules Chapter 16-107) are available at the Department of Commerce and Consumer Affairs.

This Public Report is a part of Registration No. 1893 filed with the Real Estate Commission on November 4, 1987.

**Reproduction of Report.** When reproduced, this report must be on:

yellow paper stock                       white paper stock                       pink paper stock

**Expiration Date of Reports.** Preliminary Public Reports and Final Public Reports automatically expire thirteen (13) months from the date of issuance unless a Supplementary Public Report is issued or unless the Commission issues an order extending the effective period for the report.

Supplementary Public Reports expire on the expiration date given on the front of the report.

  
\_\_\_\_\_  
GLORIA DAMRON, Chairman  
REAL ESTATE COMMISSION  
STATE OF HAWAII

Distribution:

Bureau of Conveyances  
Department of Finance, City and County of Honolulu  
Planning Department, City and County of Honolulu  
Federal Housing Administration  
Escrow Agent

## APARTMENT DESCRIPTIONS

The Declaration of Horizontal Property Regime and plans submitted by the Developer indicate that 111-115-121 CYPRESS AVENUE is a fee simple condominium conversion project consisting of a total of ten apartments, each apartment comprising a separate single-family structure. The apartments are described as follows:

- (a) Apartment "111 Cypress Avenue" consists of a separate single-story wood-frame structure, without basement, containing two bedrooms, one bath, living room and kitchen — all containing a net interior living area of approximately 704 square feet. Said apartment also contains an attached carport.
- (b) Apartment "111-C Cypress Avenue" consists of a separate single-story wood-frame structure, without basement, containing three bedrooms, one bath, living room and kitchen — all containing a net interior living area of approximately 728 square feet. Said apartment also contains an attached covered patio/deck.
- (c) Apartment "115 Cypress Avenue" consists of a separate single-story wood-frame structure, without basement, containing three bedrooms, one bath, living room and kitchen — all containing a net interior living area of approximately 660 square feet. Said apartment also contains an attached carport and storage area.
- (d) Apartment "115-A Cypress Avenue" consists of a separate single-story wood-frame structure, without basement, containing three bedrooms, one bath, living room and kitchen — all containing a net interior living area of approximately 660 square feet.
- (e) Apartment "115-B Cypress Avenue" consists of a separate single-story wood-frame structure, without basement, containing three bedrooms, one bath, living room and kitchen — all containing a net interior living area of approximately 660 square feet.
- (f) Apartment "115-D Cypress Avenue" consists of a separate single-story wood-frame structure, without basement, containing three bedrooms, one bath, living room and kitchen — all containing a net interior living area of approximately 660 square feet. Said apartment also contains a detached carport.
- (g) Apartment "115-E Cypress Avenue" consists of a separate single-story wood-frame structure, without basement, containing two bedrooms, one bath, living room, dining room/study and kitchen — all containing a net interior living area of approximately 756 square feet. Said apartment also contains a detached carport and storage shed.
- (h) Apartment "121 Cypress Avenue" consists of a separate single-story wood-frame structure, without basement, containing three bedrooms, one bath, living room and kitchen — all containing a net interior living area of approximately 663 square feet. Said apartment also contains a detached carport/storage structure.
- (i) Apartment "121-A Cypress Avenue" consists of a separate single-story wood-frame structure, without basement, containing three bedrooms, one bath, living room and kitchen — all containing a net interior living area of approximately 652 square feet. Said apartment also contains an attached carport.
- (j) Apartment "121-B Cypress Avenue" consists of a separate single-story wood-frame structure, without basement, containing three bedrooms, one bath, living room and kitchen — all containing a net interior living area of approximately 663 square feet. Said apartment also contains an attached covered patio/deck and

### **COMMON ELEMENTS**

One freehold estate is designated of all the remaining portions of the Project, herein referred to as "common elements", including specifically, but not limited to:

- (a) The land in fee simple;
- (b) All ducts, electrical equipment, wiring and other central and appurtenant installations for common services, if any, including power, light, water, sewage, irrigation and telephone;
- (c) Any and all other elements and facilities rationally in common use or necessary to the existence, upkeep and safety of the Project.

The common elements shall remain undivided, and no right shall exist to partition or divide any part thereof, except as provided in the Horizontal Property Act. Any such partition or division shall be subject to the prior consent thereto by the holder(s) of all mortgage(s) of any apartment which are filed of record.

### **LIMITED COMMON ELEMENTS**

Certain parts of the common elements, herein referred to as the "limited common elements", are set aside for the exclusive use of one or more apartments, and such apartment(s) shall have appurtenant thereto exclusive easements for the use of such limited common elements. The limited common elements so set aside and reserved are as follows:

- (a) The immediate land area upon and around which each apartment is located. Said land areas are shown and delineated on the Condominium Map.
- (b) The common driveway serving Apartments 115, 115-A, 115-B, 115-D, 115-E, 121, 121-A and 121-B Cypress Avenue, as shown and designated on the Condominium Map, is hereby deemed a limited common element appurtenant to and for the exclusive and mutual use of said Apartments 115, 115-A, 115-B, 115-D, 115-E, 121, 121-A and 121-B Cypress Avenue.

### ENCUMBRANCES AGAINST TITLE

An encumbrance is a claim against or a liability on the property. The following list describes the encumbrances against the title contained in the Title Insurance Policy dated August 3, 1987, issued by Title Insurance Company of Minnesota:

1. Title to all mineral and metallic mines reserved to the State of Hawaii.
2. Restrictive covenants as contained in that certain Deed dated September 20, 1923, recorded as aforesaid in Liber 682 at Page 285 (as to parcels second and third).
3. Restrictive covenants as contained in that certain Deed dated July 5, 1924, recorded as aforesaid in Liber 729 at Page 483 (as to parcels second and third).
4. A 10-foot right of way over and across the land along the Southwesterly boundary line of the premises hereby granted, which said right of way is leading from the Southwesterly end of the 10-foot road in center of Tashiro Tract of Lot 9 thereof (as to parcels first and second).
5. Purchase Money Mortgage in favor of EUN SOO KIM, also known as Susan Eun Soo Kim, unmarried, dated July 30, 1987, recorded as aforesaid in Liber 20974 at Page 722. Original consideration: \$275,000.00
6. Real Property Taxes as may be due and owing. Check with the Office of the Tax Assessor for further information.
7. Declaration of Horizontal Property Regime, By Laws and Condominium Map recorded at the Bureau of Conveyances. Recording information as noted on page 7 of this report.

## SUMMARY OF SALES CONTRACT AND ESCROW AGREEMENT

**SALES CONTRACT:** Developers are using the standard Hawaii Board of Realtors' Deposit Receipt, Offer and Acceptance (DROA) form as the intended sales contract for the project. Reference is hereby made thereto.

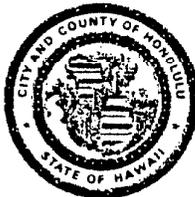
**ESCROW AGREEMENT:** The Escrow Agreement, dated October 1, 1987, identifies Long & Melone Escrow, Ltd. as Escrow for the Project. The Escrow Agreement establishes how proceeds from the sale of apartments and all sums received from any source are placed in escrow, as well as the methods of disbursement of said funds. The Escrow Agreement provides that a Purchaser shall be entitled to a refund of his funds, and Escrow shall pay said funds to said Purchaser, without interest and less cancellation fee and costs, if Purchaser shall in writing request refund of his funds and Escrow receives a written request from Developer to return to Purchaser the funds of such Purchaser. Said cancellation fee shall be in the minimum amount of \$25.00, but in no event shall exceed \$125.00, the exact amount to be commensurate with the amount of work completed at the time of cancellation.

Upon examination, both the DROA and Escrow Agreement are found to be in compliance with Chapter 514A, Hawaii Revised Statutes, as amended. It is incumbent upon the purchaser and prospective purchaser that he reads with care the DROA and Escrow Agreement.

BUILDING DEPARTMENT  
**CITY AND COUNTY OF HONOLULU**

HONOLULU MUNICIPAL BUILDING  
650 SOUTH KING STREET  
HONOLULU, HAWAII 96813

FRANK F. FASI  
MAYOR



HERBERT K. MURAOKA  
DIRECTOR AND BUILDING SUPERINTENDENT

Ex87-71

May 26, 1987

Mr. Roger V. Meeker  
Attorney at Law  
250 South Hotel Street  
Courtyard Suite  
Honolulu, Hawaii 96813

Dear Mr. Meeker:

Subject: Condominium Conversion Project  
111, 115, 121 Cypress Avenue  
Tax Map Key: 7-3-03: 13 & 14

This is in response to your letter dated March 11, 1987 requesting verification that the ten one-story single-family dwellings located at 111, 111-C, 115, 115-A, 115-B, 115-D, 115-E, 121, 121-A and 121-B Cypress Avenue met all code requirements at the time of construction.

Investigation revealed that the single-family dwelling designated as 111 Cypress Avenue met code requirements at the time it was constructed in 1958. The nine other single-family dwellings have the following deficiencies:

1. Carports and/or laundry sheds and back porches were constructed in a makeshift manner.
2. Stairway risers vary in height from 6 inches to 11 inches. Variations should not exceed 3/8 inch between risers.

The dwellings have not been properly maintained and varying degrees of deterioration and defects were found in all the buildings. Typical defects are termite damaged and/or rotted wood members, leaking roofs, makeshift construction, leaking water and drain pipes, parts of plumbing system missing, exposed live wires, flexible cords used in lieu of fixed wiring, parts of electrical system missing, etc.

EXHIBIT "E"

Mr. Roger V. Meeker  
May 26, 1987  
Page 2

For your information, the dwelling units on the lot designated by tax map key No. 7-3-03: 14 are existing nonconforming dwelling units because the lot is not subdivided.

If a dwelling unit is destroyed by any means to an extent of more than 50 percent of its replacement cost at the time of destruction, it can only be reconstructed in conformance with the current code unless a variance or existing use permit is obtained from the Department of Land Utilization.

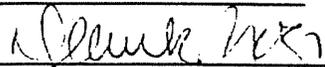
No variances or special permits were granted to allow deviations from any applicable codes.

If you have any questions regarding this matter, please contact Mr. Noboru Taketa of this office at telephone 527-6341.

Very truly yours,

  
HERBERT K. MURAOKA  
Director and Building  
Superintendent

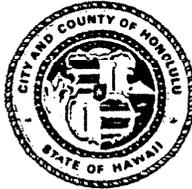
Subscribed and sworn to  
before me this 27<sup>th</sup> day of  
MAY 1987

  
\_\_\_\_\_  
Notary Public, First Judicial Circuit  
State of Hawaii  
My commission expires: 9-27-90

DEPARTMENT OF LAND UTILIZATION  
**CITY AND COUNTY OF HONOLULU**

650 SOUTH KING STREET  
HONOLULU, HAWAII 96813 • (808) 523-4432

FRANK F. FASI  
MAYOR



JOHN P. WHALEN  
DIRECTOR

87/EU-9(BTT)

August 20, 1987

Mr. Clifford P. S. Shin  
250 S. Hotel Street  
Honolulu, Hawaii 96813

Dear Mr. Shin:

Subject: Section 3.130 Existing Use (LUO)  
Project Name: Wahiawa Cypress Street Residence  
Location: 111,11-C, 115, 115-A, B, D, E, 121,  
121-A, B Cypress Avenue  
Tax Map Key: 7-33-003: 013 & 014  
Owner: Creative Industries, Inc.

The application for the subject development is approved as an existing use under Section 3.130 of the Land Use Ordinance in accordance with the application plans DLU time-stamped June 9, 1987 subject to the following conditions:

1. All conditions of the Conditional Use Permit for Joint Development for parcels 13 and 14 of Tax Map Key 7-3-3 approved on July 23, 1987 shall be complied with prior to the issuance of any permits.
2. Approval is only for alterations, additions, repairs and reconstruction of the existing dwelling units and accessory uses. All proposed improvements shall be subject to compliance with the Land Use Ordinance such as yards, heights, parking and lot coverage, Subdivision Rules and Regulations, Building Code, and other regulations. Reconstruction shall be compatible in design with the existing and surrounding structures and in the same general location and size. Final plans shall be approved by the Department of Land Utilization prior to issuance of building permits;

EXHIBIT "F"

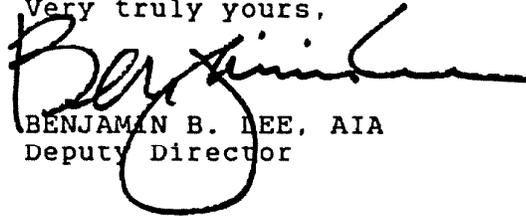
Mr. Clifford P. S. Shin

Page 2

3. The number of dwelling units (10) on the subject property shall not be increased; and
4. This existing use approval does not certify that the existing structures and improvements comply with the requirements of the zoning code or other regulations. They are subject to separate review and approval.

Should you have any questions, please contact Mr. Ben Torigoe of our staff at 527-5354.

Very truly yours,



BENJAMIN B. LEE, AIA  
Deputy Director

BBL:gc  
0014M

cc: Building Department

BUILDING CODE VIOLATIONS

and

RECONSTRUCTION OF DWELLINGS

The Project is a conversion of fully constructed and existing buildings to condominium status. However, as noted in the Building Department letter dated May 26, 1987, attached to this Public Report as Exhibit "E", the ten homes comprising this Project had not been properly maintained for many years and had fallen into a state of disrepair. The Developer has since been conducting many repairs and renovations. This repair and reconstruction work was initially commenced by Developer prior to the obtaining of building permits, and the Developer was cited by the Building Department in August and November of 1987 for not having permits. On January 29, 1988, Developer obtained building permits authorizing the repair and reconstruction work on all ten dwellings. Copies of the Building Department's Notices of Violation, as well as copies of the Building Permits issued to correct the deficiencies, have been filed with the Real Estate Commission as part of this condominium registration, and reference is made thereto.

The repair and reconstruction work is presently being completed by Developer. No individual unit will be sold without that dwelling having first been brought into full compliance with all appropriate codes and regulations. To the best of the knowledge, information and belief of the Developer, there are no longer any outstanding notices of uncured violations of the building code or other municipal regulations of the City and County of Honolulu. No variance has been granted from any ordinance, code, rule, regulation, or other requirement in force at the time of their construction or from any other ordinance, code, rule, regulation, or other requirement.

The purchaser should be aware that the Department of Land Utilization of the City and County of Honolulu has issued an Existing Use Permit for the property, which allows reconstruction of any of the existing dwellings in the event of their accidental or intentional destruction (see Department of Land Utilization existing use Application No. 87/EU-9(BTT), and Exhibit "F" attached hereto). Pursuant to an Existing Use Permit, a dwelling of the same size and configuration may be reconstructed as long as it conforms with appropriate set-back, height, off-street parking, and other code regulations in effect at the time of reconstruction.

Exhibit "G"

**DISCLOSURE ABSTRACT**

**111-115-121 CYPRESS AVENUE  
Condominium Project**

Pursuant to Section 514A-61, Hawaii Revised Statutes  
Horizontal Property Act

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**Developer**

CREATIVE INDUSTRIES, INC.  
1040 Richards Street, Suite 311  
Honolulu, Hawaii 96813  
Phone: 531-9818

**Project Manager**

CLIFFORD SHIN  
1056 Kahului Street  
Honolulu, Hawaii 96825  
Phone: 395-6336 or 531-9818

**Estimated Maintenance Fees/Costs per Apartment**

The regular maintenance and repair of each apartment, including all utility charges except for water, is the sole responsibility of each respective apartment owner. The only common expense requiring monthly assessments is water service, and Developer estimates that the required maintenance fees to cover said water service expenses for each apartment will be as follows:

	<u>Annual</u>	<u>Monthly</u>
111 Cypress Avenue	—	—
111-C Cypress Avenue	—	—
115 Cypress Avenue	300.00	25.00
115-A Cypress Avenue	300.00	25.00
115-B Cypress Avenue	300.00	25.00
115-D Cypress Avenue	300.00	25.00
115-E Cypress Avenue	300.00	25.00
121 Cypress Avenue	300.00	25.00
121-A Cypress Avenue	300.00	25.00
121-B Cypress Avenue	—	—

Note: Apartments 111 Cypress Avenue, 111-C Cypress Avenue and 121-B Cypress Avenue are each separately metered for water and sewer, thus share no common utility expenses with any other apartments. Said apartments, therefore, have no regular maintenance fee.

Common Driveway: Apartments 115, 115-A, 115-B, 115-D, 115-E, 121, 121-A and 121-B Cypress Avenue are all served by a common driveway. Although said driveway does not require regular monthly maintenance, it may require periodic repairs or maintenance from time to time. The determination of when such repairs or maintenance are necessary is solely that of the eight apartment owners affected, and shall be borne solely and equally by said eight apartment owners, in accordance with Section XI(b) of the Declaration. The costs of such repairs and maintenance shall be by special assessment rather than through collection of regular maintenance fees.

Individual Insurance: Section 514A-86, Hawaii Revised Statutes, requires that fire insurance be purchased to cover the improvements portion of the Project. Developer anticipates that the Association will elect to obtain separate policies for each individual apartment pursuant to Section XIII(c) of the Declaration. As such, the premiums on said policies will be the individual responsibility of each apartment owner rather than common expenses of the Project.

### Warranties

Purchasers should be aware that the "apartments" of the Project are all single-family homes either originally built or relocated to their present location in 1958 or earlier. For many years said homes were not properly maintained and fell into a state of disrepair, as reflected in the Building Department letter dated May 23, 1987 (attached as an exhibit to the Public Report). Extensive repairs have since been effected to the homes, correcting the deficiencies noted in the Building Department letter. However, in spite of the recent repairs, purchasers should be aware that the homes have unavoidably undergone a certain amount of "wear and tear" commensurate with their age. Accordingly, purchasers should not expect the home they desire to buy to be in "like-new" condition. NO WARRANTIES FOR FITNESS OF USE OR MERCHANTABILITY OR ANY OTHER KIND ARE MADE AS TO ANY OF THE INDIVIDUAL APARTMENTS OR THE COMMON ELEMENTS OF THE PROJECT. PURCHASERS ARE ADVISED TO CONDUCT THEIR OWN INSPECTION OF THE APARTMENT THEY DESIRE TO BUY. THE APARTMENTS ARE SOLD "AS IS".

### Structural Components and Mechanical & Electrical Installations

Inspection by an independent registered architect in May 1987 revealed varying degrees of deterioration and defects in the structural components and mechanical and electrical installations material to the use and enjoyment of the condominium apartment(s). However, because of subsequent repairs to the property completed by the Developer since May of 1987, it is the Developer's opinion that the structural components and mechanical and electrical installations material to the use and enjoyment of the condominium apartment(s) are now presently sound and in satisfactory working condition. Based upon a subsequent report by an independent registered architect, the Developer estimates that the expected useful life of the structural components and mechanical and electrical installations material to the use and enjoyment of the condominium apartment(s) is at least twenty years.

**Use of Apartments**

All ten apartments comprising the Project are for residential purposes only. There is no non-residential development in the Project.

**Code Violations**

The Project is a conversion of fully constructed and existing buildings to condominium status. However, as noted in the Building Department letter dated May 26, 1987, attached to the Public Report as Exhibit "E", the ten homes comprising this Project had not been properly maintained for many years and had fallen into a state of disrepair. The Developer has since been conducting many repairs and renovations to the property. This repair and reconstruction work was initially commenced by Developer prior to the obtaining of building permits, and the Developer was cited by the Building Department in August and November of 1987 for not having permits. On January 29, 1988, Developer obtained building permits authorizing the repair and reconstruction work on all ten dwellings. Copies of the Building Department's Notices of Violation, as well as copies of the Building Permits issued to correct the deficiencies, have been filed with the Real Estate Commission as part of the condominium registration, and reference is made thereto. The repair and reconstruction work is presently being completed by Developer. No individual unit will be sold without that dwelling having first been brought into full compliance with appropriate codes and regulations. To the best of the knowledge, information and belief of the Developer, there are no longer any outstanding notices of uncured violations of the building code or other municipal regulations of the City and County of Honolulu. No variance has been granted from any ordinance, code, rule, regulation, or other requirement in force at the time of their construction or from any other ordinance, code, rule, regulation, or other requirement.

Dated: Honolulu, Hawaii, February 1, 1988.

CREATIVE INDUSTRIES, INC.,  
a Hawaii corporation,

By

*Clifford P S Shin*  
\_\_\_\_\_  
CLIFFORD P. S. SHIN, President

Developer